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UNITED STATES DEPARTMENT OF  
**COMMERCE**  
**NEWS**

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WASHINGTON, D.C. 20230

BUREAU OF  
  
ADMINISTRATION

FOR IMMEDIATE RELEASE:  
November 29, 1999

CONTACT: Eugene Cottilli  
(202) 482-272 1

### THREE RELATED COMPANIES SETTLE ANTIBOYCOTT CHARGES

Washington --[Rosemount, Inc.](#), [Brooks Instrument Division](#), and [Rosemont GmbH & Co.](#) Today agreed to pay a total of \$2 1,000 in civil penalties to settle allegations that each violated the antiboycott provisions of the Export Administration Regulations, Assistant Secretary for Export Enforcement F. Amanda DeBusk announced. All three companies are related to Emerson Electric Company located in Hatfield, Pennsylvania.

Rosemount, Inc., an exporter of measurement and process instrumentation located in Eden Prairie, Minnesota., has agreed to pay a \$10,000 civil penalty to settle allegations that it violated the regulations when it failed to report ten receipts of requests to engage in restrictive trade practices or boycotts.

Brooks Instrument Division agreed to pay a \$7,000 civil penalty to settle allegations that, during one transaction involving the shipment of goods to Oman in 1989, Brooks furnished information concerning its business relationships with Israel. The Department also alleged that Brooks failed to report six requests, received in the same year, to engage in restrictive trade practices or boycotts.

Also, the Department alleged that Rosemount, GmbH & Co., located in Wessling, Germany, furnished information concerning its business relationships with Israel on two separate occasions involving a shipment of goods to Saudi Arabia in 1990. Rosemount, GmbH & Co. agreed to pay a \$4,000 civil penalty to settle the allegations.

The antiboycott provisions of the Export Administration Act and Regulations prohibit U.S. companies and individuals from complying with certain aspects of unsanctioned foreign boycotts maintained against any country friendly to the United States that is not itself the object of any form of U.S. sanctioned boycott. Through its Office of Antiboycott Compliance, the Commerce Department investigates **alleged** violations, provides support in administrative or criminal litigation of cases and prepares cases for settlement.

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

_____	)	
	)	
In the Matter of	)	Case No. <u>98-L 1</u>
	)	
Rosemount, 'Inc.	)	
_____	)	

ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce ('Department'), having determined to initiate an administrative proceeding pursuant to Section 11 (c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the "Act")<sup>1</sup> and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)) ("the Regulations"), against Rosemount, Inc. ("Rosemount"), a domestic concern resident in the State of Minnesota, based on the allegations set forth in the Proposed Charging Letter, dated May 27, 1999, attached hereto and incorporated herein by this reference;

<sup>1</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (**1995**)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (**1996**)), August 14, 1996 (3 C.F.R., **1996** Comp. 298 (**1997**)), August 13, 1997, (3 C.F.R., 1997 Comp. 306 (1998)) , August 13, 1998, (63 **Fed. Reg.** 44121, August **17, 1998**), and August **10, 1999**, (64 **Fed. Reg.** 44101, August 13, **1999**), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-I 706 (1991 & Supp. 1998)).

The Department and Rosemount having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

I, the Assistant Secretary for Export Enforcement, having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$10,000 is assessed against Rosemount;

SECOND, Rosemount shall pay to the Department in complete settlement of this matter the sum of \$10,000 within thirty days of the date of service of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collection Act of 1982, as amended (U.S.C.A. §§ 3701-3720E (1983 and Supp. 1998)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Rosemount will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

FOURTH, as authorized by Section 11 (d) of the Act, the timely payment of the

sum of \$10,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Rosemount. Accordingly, if Rosemount should **fail** to pay the sum of \$10,000 in the time set forth herein, I will enter an Order under the authority of Section 11 (d) of the Act denying all of Rosemount's export privileges for a period of one year from the date of the entry of this Order; and

FIFTH, the Proposed Charging Letter, the Settlement **Agreement** and this Order shall be made available to the public, and a copy of this Order shall be served upon Rosemount.

This Order is effective immediately.

  
F. Amanda DeBusk  
Assistant Secretary for Export Enforcement  
Bureau of Export Administration

Entered this 29th day of November, 1999

Attachments

11/29/99  
11/29/99

## NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty and the rights, if any, that Rosemount may have to seek review, both within the U.S. Department of Commerce and the courts. It also specifies the amount owed and the dates by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1997)) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (1997)), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed Rosemount is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and Rosemount will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The foregoing constitutes the initial written notice and demand to Rosemount in accordance with Section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).

A6365

## INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The checks should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The checks should be mailed to:

U.S. Department of Commerce  
Bureau of Export Administration  
Room 6881  
14th & Constitution Avenue, N. W.  
Washington, D.C. 20230

Attention: Zoraida Vazquez

14-00000-01  
14-00000-01

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

_____	)	
	)	
In the Matter of	)	Case No. <u>98-I 1</u>
	)	
Rosemount, Inc.	)	
_____	)	

SETTLEMENT AGREEMENT

This agreement is made by and between Rosemount, Inc. ("Rosemount"), a domestic concern resident in the **State** of Minnesota, and the Office of Antiboycott Compliance, Bureau of Export Administration, United States Department of Commerce ("Department"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)) ("the Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the "**Act**").<sup>1</sup>

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<sup>1</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (**1995**)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (**1996**)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (**1997**)), August 13, 1997, (3 C.F.R., 1997 Comp. 306 (1998)) and August 13, 1998, (63 Fed. Reg. 44121, August **17, 1998**), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).

WHEREAS, the Department has notified Rosemount of its intention to initiate an administrative proceeding against Rosemount pursuant to Section 11 (c) of the Act by issuing the Proposed Charging Letter, dated May 27, 1999, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Rosemount has reviewed the Proposed Charging Letter, has responded to the allegations set forth against it, and is aware of the administrative sanctions which could be imposed against it if the allegations were found to be true; Rosemount fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and Rosemount states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Rosemount neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Rosemount agrees to be bound by an order giving effect to the terms of the Settlement Agreement (hereinafter "Appropriate Order") when entered;

NOW THEREFORE, Rosemount and the Department agree as follows:

4/10/00  
4/10/00



1. Under the Act and the Regulations to the extent permitted by law, the Department has jurisdiction over Rosemount with respect to the matters alleged in the Proposed Charging Letter.
2. In complete settlement of all matters set forth in the Proposed Charging Letter, Rosemount will pay to the Department, within 30 days of service upon it of the Appropriate Order, when entered, the amount of \$10,000.
3. As authorized by Section 11 (d) of the Act, timely payment of the amount agreed to in Paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Rosemount. Failure to make payment of this amount, in a timely manner, shall result in the denial of all of Rosemount's export privileges for a period of one year from the date of entry of the Appropriate Order.
4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, Rosemount hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the Appropriate Order, when entered) including, without limitation, any right to:
  - a. an administrative hearing regarding the allegations in the Proposed Charging Letter;
  - b. request a refund of the funds paid by Rosemount pursuant to this

- Settlement Agreement and the Appropriate Order, when entered; and
- c. seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.
5. The Department represents that it will not, prior to, upon, or subsequent to entry of the Appropriate Order or a decision by the Assistant Secretary not to enter into such Appropriate Order, initiate any administrative or judicial proceedings against Rosemount or made any referral to the Department of Justice or any other agency of the United States Government for possible enforcement action against Rosemount with respect to any alleged violation of Section 8 of the Act or Part 769 or redesignated Part 760 of the Regulations arising out of the matters set forth in the Proposed Charging Letter or any other matter that was disclosed to or reviewed by the Department prior to execution of this Settlement Agreement.
6. Rosemount understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Appropriate Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute a finding or determination by the Department or an admission by Rosemount that Rosemount has violated the Act or the Regulations or an admission of the truth of any allegation contained in the Proposed Charging

4-10-14  
4-10-14

Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the Appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against Rosemount in any administrative or judicial proceeding.

8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Appropriate Order, when entered. This Settlement Agreement shall not bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed. This paragraph shall not limit Rosemount's right to challenge any action brought by any other agency based on a referral by the Department of any employee thereof in contravention of Paragraph 5 of this Settlement Agreement.
9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the Appropriate Order.

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Rosemount, Inc.

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Date: 10/14/99

U.S. DEPARTMENT OF COMMERCE

Dexter M. Price

Date: 11/19/1999

Dexter M. Price  
Director  
Office of Antiboycott Compliance

11/19/99



PROPOSED CHARGING LETTER

May 27, 1999

Rosemount Inc.  
12001 Technology Drive  
Eden Prairie, MN 55344

Case No. 98-U

Gentlemen\Ladies:

We have reason to believe and charge that you, Rosemount Inc. ("Rosemount"), have committed ten violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)) (the "current Regulations" or "Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 and Supp. 1998)) (the "Act").<sup>2</sup>

We charge that, in violation of Section 769.6 of the former Regulations, you failed to report to the Department, in a timely manner, your receipt of one request to engage in a restrictive trade practice or boycott.

Also, we charge that, on nine occasions, you failed to report in a timely manner to the Department, your receipt of a request to engage in a restrictive trade practice or boycott in violation or

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<sup>1</sup> One alleged violations was committed prior to March 25, 1996. The Regulations governing that violation are found in the 1996 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1996)). Those Regulations define the violation that we allege occurred prior to March 25, 1996 and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured. The restructured Regulations established the procedures that apply to the matters in this letter.

<sup>2</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)) and August 13, 1997 (3 C.F.R. 1997 Comp. 306 (1998)), August 13, 1998 (63 Fed. Reg. 44121, August 17, 1998), and August 10, 1999, (64 Fed. Reg. 44101, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).



We allege that:

1. You are a domestic concern, resident in the state of Minnesota. Therefore, you are a United States person as defined in Section 760.1(b) of the current Regulations.
2. During the period December 1995 through September 1996, you engaged in activities involving the sale or transfer of goods or services, including information, from the United States to the United Arab Emirates and Saudi Arabia. Those activities were in the interstate or foreign commerce of the United States, as defined in Section 769.1(d) of the former Regulations and Section 760.1(d) of the current Regulations.'
3. In connection with the activities referred to in paragraph 2 above, you received requests (which are described in Table A, which is attached hereto and incorporated by this reference) to take actions which have the effect of furthering or supporting a restrictive trade practice or unsanctioned foreign boycott. U.S. Persons were required by the former Regulations, and are required by the current Regulations, to report to the Department their receipts of such requests in a timely manner.
4. You failed to report, within the required time period, your receipts of the requests described in Table A. By failing to report, you are in violation of Section 769.6 of the former Regulations and Section 760.5 of the current Regulations. Therefore, we charge you with ten violations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions.<sup>3</sup>

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<sup>3</sup> Administrative sanctions may include any or all of the following:

- a. A civil penalty of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see Section 764.3(a)(3) of the Regulations).

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel and, under Section 766.18 of the Regulations, to seek a settlement agreement.

As provided in Section 766.3 of the Regulations, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between the Bureau of Export Administration and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center  
40 South Gay Street  
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Export Administration at the following address:

Office of the Chief Counsel for Export Administration  
U.S. Department of Commerce  
Room H-3839  
14th Street & Constitution Avenue, NW  
Washington, D.C. 20230

The Office of the Chief Counsel can contacted by telephone at (202) 482-5311.

Sincerely,

Dexter M. Price  
Director  
Office of Antiboycott Compliance

AL3615

TABLE A

COUNTRY	REFERENCE #	DATE RECEIVED	DATE REPORTED	REQUEST
U.A.E.	Eng. WED/ALAIN/SP/MS/ 143/96	09/12/96	01-31-9	A
U.A.E.	Eng. 7103-RQ-GRL-Z-00 6	02/14/96	01-31-97	B
Saudi Arabia	AE 42108	01/25/96	01-31-97	C
Saudi Arabia	AE 41370	01/25/96	01-31-97	C
Saudi Arabia	AE 42639	01/25/96	01/31/97	C
Saudi Arabia	AE 41437	01/25/96	01/31/97	C
Saudi Arabia	AE 41399	01/25/96	01/31/97	C
U.A.E.	CE/397/95 (S.O. # 96-71664-01)	12/6/95	02/28/97	D
U.A.E.	CE/450/95	01/9/96	08/29/97	D
Saudi Arabia	At 41418	01/25/96	01/31/97	C

Key

A. No part of offered materials should be of Israeli origin  
....

B. In connection with the performance of this PURCHASE ORDER, SELLER acknowledges that the import and customs laws and regulations of the Emirate of Abu Dhabi and the U.A.E. shall apply to the furnishing and shipment of any products or components thereof to the United Arab Emirates. SELLER specifically acknowledges that the aforementioned import and customs laws and regulations of the United Arab Emirates prohibit, among other things, the importation into the United Arab Emirates of products of components thereof:

- a) Originating in Israel.

6/11/96  
6/11/96



A63616

b) Manufactured, produced or furnished by companies organized under the laws of Israel and

c) manufactured, produced or furnished by nationals or residents of Israel.

C. Vessel Non-Blacklist Certificate (showing the age of the ship not more than 15 years old from the port of origin (sic)

D. The materials covered herein shall be subject to the terms of the Israeli Boycott Regulations and all the documents shall be provided duly certified . . . .



The Department and Brooks having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

I, the Assistant Secretary for Export Enforcement, having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$7,000 is assessed against Brooks;

SECOND, Brooks shall pay to the Department in complete settlement of this matter the sum of \$7,000 within thirty days of the date of service of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collection Act of 1982, as amended (U.S.C.A. §§ 3701-3720E (1983 and Supp. 1998)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Brooks will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

FOURTH, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$7,000 is hereby made a condition to the granting, restoration or continuing

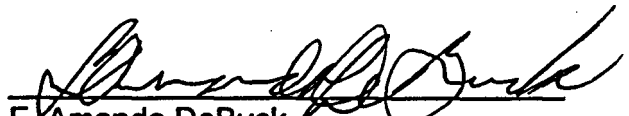
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A6373

validity of any export license, permission, or privilege granted, or to be granted, to Brooks. Accordingly, if Brooks should fail to pay the sum of \$7,000 in the time set forth herein, I will enter an Order under the authority of Section 11(d) of the Act denying all of Brooks' export privileges for a period of one year from the date of the entry of this Order; and

FIFTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Brooks.

This Order is effective immediately.

  
F. Amanda DeBusk  
Assistant Secretary for Export Enforcement  
Bureau of Export Administration

Entered this 29th day of November, 1999

Attachments


**NOTICE**

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty and the rights, if any, that Brooks may have to seek review, both within the U.S. Department of Commerce and the courts. It also specifies the amount owed and the dates by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1997)) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (1997)), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed Brooks is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and Brooks will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The foregoing constitutes the initial written notice and demand to Brooks in accordance with Section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).



**INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT**

1. The checks should be made payable to:

**U.S. DEPARTMENT OF COMMERCE**

2. The checks should be mailed to:

**U.S. Department of Commerce  
Bureau of Export Administration  
Room 6622  
14th & Constitution Avenue, N.W.  
Washington, D.C. 20230**

**Attention: Zoraida Vazquez**

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

\_\_\_\_\_  
In the Matter of

Brooks Instrument Division  
\_\_\_\_\_

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Case No. 93-32B

SETTLEMENT AGREEMENT

This agreement is made by and between Brooks Instrument Division, Inc. ("Brooks"), a domestic concern resident in the State of Pennsylvania, and the Office of Antiboycott Compliance, Bureau of Export Administration, United States Department of Commerce ("Department"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)) ("the Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the "Act").<sup>1</sup>

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<sup>1</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997, (3 C.F.R., 1997 Comp. 306 (1998)) and August 13, 1998, (63 Fed. Reg. 44121, August 17, 1998), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).

WHEREAS, the Department has notified Brooks of its intention to initiate an administrative proceeding against Brooks pursuant to Section 11(c) of the Act by issuing the Proposed Charging Letter, dated May 27, 1999, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Brooks has reviewed the Proposed Charging Letter, has responded to the allegations set forth against it, and is aware of the administrative sanctions which could be imposed against it if the allegations were found to be true; Brooks fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and Brooks states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Brooks neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and


WHEREAS, Brooks agrees to be bound by an order giving effect to the terms of the Settlement Agreement (hereinafter "Appropriate Order") when entered;

NOW THEREFORE, Brooks and the Department agree as follows: —

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1. Under the Act and the Regulations to the extent permitted by law, the Department has jurisdiction over Brooks with respect to the matters alleged in the Proposed Charging Letter.
2. In complete settlement of all matters set forth in the Proposed Charging Letter, Brooks will pay to the Department, within 30 days of service upon it of the Appropriate Order, when entered, the amount of \$7,000.
3. As authorized by Section 11(d) of the Act, timely payment of the amount agreed to in Paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Brooks. Failure to make payment of this amount, in a timely manner, shall result in the denial of all of Brooks' export privileges for a period of one year from the date of entry of the Appropriate Order.
4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, Brooks hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the Appropriate Order, when entered) including, without limitation, any right to:
  - a. an administrative hearing regarding the allegations in the Proposed Charging Letter;
  - b. request a refund of the funds paid by Brooks pursuant to this

- Settlement Agreement and the Appropriate Order, when entered; and
- c. seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.
5. The Department represents that it will not, prior to, upon, or subsequent to entry of the Appropriate Order or a decision by the Assistant Secretary not to enter into such Appropriate Order, initiate any administrative or judicial proceedings against Brooks or make any referral to the Department of Justice or any other agency of the United States Government for possible enforcement action against Brooks with respect to any alleged violation of Section 8 of the Act or Part 769 or redesignated Part 760 of the Regulations arising out of the matters set forth in the Proposed Charging Letter or any other matter that was disclosed to or reviewed by the Department prior to execution of this Settlement Agreement.
6. Brooks understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Appropriate Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute a finding or determination by the Department or an admission by Brooks that Brooks has violated the Act or the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not
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accepted and the Appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against Brooks in any administrative or judicial proceeding.

8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Appropriate Order, when entered. This Settlement Agreement shall not bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed. This paragraph shall not limit Brooks' right to challenge any action brought by any other agency based on a referral by the Department of any employee thereof in contravention of Paragraph 5 of this Settlement Agreement.
9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the Appropriate Order.

10/10/00

A63711

Brooks Instrument Division

Kevin A. Monroe

Date: 11/4/99

U.S. DEPARTMENT OF COMMERCE

Dexter M. Price

Date: 11/19/1999

Dexter M. Price  
Director  
Office of Antiboycott Compliance



AB3712

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 27, 1999

Brooks Instrument Division  
407 West Vine Street  
Hatfield, Pennsylvania 19440

Case No. 93-32B

Gentlemen\Ladies:

We have reason to believe and charge that you, Brooks Instrument Division ('Brooks'), have committed six (6) violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774, (1998)) (the "Regulations"),<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 and Supp. 1998)) (the "Act").<sup>2</sup> We charge that with intent to comply with, further or support an unsanctioned foreign boycott, you furnished, on one occasion, information concerning your business relationships with or in a boycotted country, in violation of Section 769.2(d) of the former Regulations. We further charge that you failed to report five

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<sup>1</sup> The alleged violations occurred in 1989, 1990, 1991 and 1992. The Regulations governing the violations at issue are found in the 1989, 1990, 1991 and 1992 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1989, 1990, 1991 and 1992)). Those Regulations define the violations we allege occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured. The restructured Regulations established the procedures that apply to the matters in this letter.

<sup>2</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)) and August 13, 1997 (3 C.F.R. 1997 Comp. 306 (1998)), August 13, 1998 (63 Fed. Reg. 44121, August 17, 1998), and August 10, 1999, (64 Fed. Reg. 44101, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).



or boycotts in violation of Section 769.6 of the former Regulations.

We allege that:

1. You are a domestic concern incorporated in the State of Pennsylvania and, as such, are a United States person as defined in Section 760.1(b) of the Regulations.
2. Between September, 1989 and February, 1993, you engaged in activities involving the sale or shipment of goods or services from the United States to Oman, Iraq, Kuwait and UAE. Those activities were in the interstate or foreign commerce of the United States, as defined in Section 769.1(d) of the former Regulations.
3. In connection with the transactions referred to in paragraph 2 above, on or about September 2, 1989, you received a purchase order from Elf Aquitaine in Oman which contained the following request:

"...

INSTRUCTIONS TO THE SUPPLIER

...

NOTIFY THE FORWARDING AGENT ... and SEND HIM THE FOLLOWING DOCUMENTS:

\* 6 (six) copies of your invoice

...

Including the following attestation:

"...The goods are neither of Israeli origin nor do they contain Israel materials nor are they being exported from Israel..."

4. On or about September 5, 1989, in response to the request contained in paragraph 3 above, you shipped the goods requested in the purchase order and sent an invoice to Elf Aquitaine which stated, in part, the following:

"...INVOICE DATE: 9/05/89

Customer Order No. 3089092

"...THE GOODS ARE NEITHER OF ISRAELI ORIGIN NOR DO THEY CONTAIN ISRAEL MATERIALS NOR ARE THEY BEING EXPORTED FROM ISRAEL..."

5. By providing the above language on the invoice quoted in paragraph 4 above, you furnished information concerning your business relationships with or in a boycotted country in violation of Section 769.2(d) of

the former Regulations. By furnishing such information, you have committed and are charged with one violation of Section 769.2(d).

6. The language quoted in each of the five transactions in Table A, which is attached and incorporated by reference, constitutes a request to engage in restrictive trade practices or boycotts. You were required to report your receipt of such requests to the Department of Commerce as directed by Section 769.6 of the former Regulations.
7. By failing to report the five requests quoted in Table A, you have committed and are charged with five violations of Section 769.6 of the former Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions.<sup>3</sup>

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel and, under Section 766.18 of the Regulations, to seek a settlement agreement.

As provided in Section 766.3 of the Regulations, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between the Bureau of Export Administration and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

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<sup>3</sup> Administrative sanctions may include any or all of the following:

- a. A civil penalty of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see Section 764.3(a)(3) of the Regulations).

A63715

U.S. Coast Guard ALJ Docketing Center  
40 South Gay Street  
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Export Administration at the following address:

Office of the Chief Counsel for Export Administration  
U.S. Department of Commerce  
Room H-3839  
14th Street & Constitution Avenue, NW  
Washington, D.C. 20230

The Office of the Chief Counsel can be contacted by telephone at (202) 482-5311.

Sincerely,

Dexter M. Price  
Director  
Office of Antiboycott Compliance



Table A

Schedule of Alleged Violations

Emerson Electric Co., Inc.  
Brooks Instrument Division ('Brooks')  
Case No. 93-32B

<u>No.</u>	<u>Origin</u> f	<u>Document</u> '	<u>D a t e</u>	<u>Boycott</u>
1	Iraq	Iraq National Oil Co. Brooks #8911-C021816 <sup>2</sup>	6/22/90	A
2	Kuwait	Warba National Contractors / Almeer Brooks # 20212 <sup>2</sup>	2/28/90	B
3	Kuwait	Almeer Brooks # 9006-C023602 <sup>3</sup>	7/23/90	C
4	Kuwait	Ministry of Electricity and Water Brooks # EW/DH/91/387	3/4/91	D
5	Kuwait	Danway/ADNOC Brooks # 9212-C02020	11/16/92	E

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A) 'Certificate of Origin or Commercial Invoices legalised and attested as in Paragraph (2) below must show:

---

\***Documents** are the Middle east purchase orders, unless otherwise indicated, containing **boycott** request received by Rosemount. Dates reflect on or about when Rosemount received request. Numbers are Rosemount Order Numbers.

\*Document in this case is L/C containing boycott request.

<sup>2</sup>**Document in this case is tender offer containing boycott request.**

'Document in this case is L/C containing boycott request.

B. A declaration that the producer or manufacturer is not a branch or a mother company of firms forbidden to deal with.

C. That no Israeli part or raw material had been used in its production and that Israeli Source participated in its labour or capital."

B) "8. **MANUFACTURER WARRANTIES:** . . . Offer must also include a statement to the effect that the manufacturer/suppliers involved are not on Israel Boycott List."

C) "DOCUMENTS NOT ACCEPTABLE: Documents evidencing shipment of goods of Israeli and or South Africa origin."

D) 'The instructions given hereunder should be strictly followed by the tenderer.

...

e) The country of origin of the goods should neither be of Israeli nor do they contain any Israeli Material."

E) ". ..Supplier specifically acknowledges that the...import and customs laws and regulations of the United Arab Emirates prohibit, among other things, the importation into the United Arab Emirates of products or components thereof:

a) originating in Israel

b) manufactured, produced or furnished by companies organized under the laws of Israel, and

c) manufactured, produced or furnished by nationals or residents of Israel.

..."

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

_____	)	
In the Matter of	)	Case No. <u>88-47C</u>
	)	
Rosemount, <b>GmbH &amp; Co.</b>	)	
_____	)	

ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce ("Department"), having determined to initiate an administrative proceeding pursuant to Section 11 (c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the "Act") and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)) (the Regulations"), against Rosemount, **GmbH & Co.**, a controlled-in-fact foreign subsidiary of a domestic concern, based on the allegations set forth in the Proposed Charging Letter, dated May 27, 1999, attached hereto and incorporated herein by this reference;

<sup>1</sup> The Act expired on August **20, 1994**. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (**1995**)), extended by Presidential Notices of **August 15, 1995** (3 C.F.R., 1995 Comp. 501 (**1996**)), August 14, 1996 (3 **C.F.R.**, 1996 Comp. 298 (**1997**)), August **13, 1997**, (3 C.F.R., 1997 Comp. 306 (**1998**)), August 13, 1998, (63 **Fed. Reg.** 44121, August **17, 1998**), and August **10, 1999**, (64 **Fed. Reg.** 44101, August 13, **1999**), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ **1701-1706** (1991 & Supp. 1998)).

The Department and Rosemount, **GmbH & Co.** having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

I, the Assistant Secretary for Export Enforcement, having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$4,000 is assessed against Rosemount, **GmbH & Co.**;

SECOND, Rosemount, **GmbH & Co.** shall pay to the Department in complete settlement of this matter the sum of \$4,000 within thirty days of the date of service of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collection Act of 1982, as amended (**U.S.C.A. §§ 3701-3720E** (1983 and Supp. **1998**)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Rosemount, **GmbH & Co.** will be assessed, in addition to -interest, a penalty charge and an administrative charge, ~~as more fully described~~ in the attached Notice.

=

## NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty and the rights, if any, that Rosemount, **GmbH & Co.** may have to seek review, both within the U.S. Department of Commerce and the courts. It also specifies the amount owed and the dates by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 37013720E (1983 and Supp. 1997)) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (1997)), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed Rosemount, **GmbH & Co.** is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. **If** the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and Rosemount, **GmbH & Co.** will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of sixpercent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C.A § 3717 and 4 C.F.R. § 102.13.

The foregoing constitutes the initial written notice and demand to Rosemount, **GmbH & Co.** in accordance with Section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).

## INSTRUCTIONS FOR PAYMENT OF SE-I-I-LEMENT AMOUNT

1. The checks should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The checks should be mailed to:

U.S. Department of Commerce  
Bureau of Export Administration  
Room 6881  
14th & Constitution Avenue, N.W.  
Washington, D.C. 20230

Attention: Zoraida Vazquez

FOURTH, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$4,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Rosemount, **GmbH & Co.** Accordingly, if Rosemount, **GmbH & Co.** should fail to pay the sum of \$4,000 in the time set forth herein, I will enter an Order under the authority of Section 11 (d) of the Act denying all of Rosemount, **GmbH & Co.'s** export privileges for a period of one year from the date of the entry of this Order; and

FIFTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Rosemount, **GmbH & Co.**

This Order is effective immediately.

  
F. Amanda DeBusk  
Assistant Secretary for Export Enforcement  
Bureau of Export Administration

Entered this 29th day of November, 1999

Attachments'

AL386

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

\_\_\_\_\_  
In the Matter of \_\_\_\_\_  
Rosemount, **GmbH & Co.** \_\_\_\_\_  
\_\_\_\_\_

Case No. 88-47C

SETTLEMENT AGREEMENT

This agreement is made by and between Rosemount, **GmbH & Co.**, a controlled-in-fact foreign subsidiary of a domestic concern, and the Office of **Antiboycott Compliance**, Bureau of Export Administration, United States Department of Commerce (“Department”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)) (“the Regulations”), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ **2401-2420** (1991 & Supp. 1998)) (the “Act”).’

<sup>1</sup> The Act expired on August **20, 1994**. **Executive Order 12924** (3 C.F.R., I-994 **Comp. 917 (1995)**), extended by Presidential Notices of August **15, 1995** (3 C.F.R., 1995 Comp. 501 (1996)); August 14, 1996 (3 C.F.R., 1996 Comp. 298 **(1997)**), August **13, 1997**, (3 C.F.R., 1997 Comp. 306 (1998)) and August **13, 1998**, (63 Fed. Reg. 44121, August **17, 1998**), continued the Regulations In effect under the International Emergency Economic Powers Act (50 **U.S.C.A. §§ 1701-1706**, **1991 & Supp. 1998**)).




WHEREAS, the Department has notified Rosemount, **GmbH & Co.** of its intention to initiate an administrative proceeding against Rosemount, **GmbH & Co.** pursuant to Section 11 (c) of the Act by issuing the **Proposed Charging** Letter, dated May 27, 1999, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Rosemount, **GmbH & Co.** has reviewed the Proposed Charging **Letter**, has responded to the allegations set forth against it, and is aware of the administrative sanctions which could be imposed against it if the allegations were found to be true; Rosemount, **GmbH & Co.** fully understands the terms of this Settlement Agreement, and enters ~~into this~~ Settlement Agreement voluntarily and with full knowledge of its rights; and Rosemount, **GmbH & Co.** states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Rosemount, **GmbH & Co.** neither **admits** nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Rosemount, **GmbH & Co.** agrees to be bound by an order giving effect to the terms of the Settlement Agreement (hereinafter "Appropriate Order") when entered;



NOW THEREFORE, Rosemount, **GmbH & Co.** and the Department agree as follows:

1. Under the Act and the Regulations to the extent **permitted** by law, the Department has jurisdiction over Rosemount, **GmbH & Co.** with respect to the matters alleged in the Proposed Charging Letter.
2. In complete settlement of all matters set forth in the Proposed Charging Letter, Rosemount, **GmbH & Co.** will pay to the Department, within 30 days of service upon it of the Appropriate Order, when entered, the amount of \$4,000.
3. As authorized by ~~Section~~ 11 (d) of the Act, timely payment of the amount agreed to in Paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Rosemount, **GmbH & Co.** Failure to make payment of this amount, in a timely manner, shall result in the denial of all of Rosemount, **GmbH & Co.'s** export privileges for a period of one year from the date of entry of the Appropriate Order.
4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, Rosemount, **GmbH & Co.** hereby waives all rights to further procedural steps in this matter (except with respect to any alleged ~~violation of this~~ Settlement Agreement or the Appropriate Order, when entered) including, without limitation, any right to:

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

- a. an administrative hearing regarding the allegations in the Proposed Charging Letter;
  - b. request a refund of the funds paid by Rosemount, **GmbH & Co.** pursuant to this Settlement Agreement and the Appropriate Order, when entered; and
  - c. seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.
5. The Department represents that it will not, prior to, upon, or subsequent to entry of the Appropriate Order or a decision by the Assistant Secretary not to enter into such **Appropriate Order**, initiate any administrative or judicial proceedings against Rosemount, **GmbH & Co.** or made any referral to the Department of Justice or any other agency of the United States Government for possible enforcement action against Rosemount, **GmbH & Co.** with respect to any alleged violation of Section 8 of the Act or Part 769 or redesignated Part 760 of the Regulations arising out of the matters set forth in the Proposed Charging Letter or any other matter that was disclosed to or reviewed by the Department prior to execution of this Settlement Agreement.
6. Rosemount, **GmbH & Co.** understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, ~~and the Appropriate~~ Order, when entered.

7. This Settlement Agreement is for settlement purposes only, and does not constitute a finding or determination by the Department or an admission by Rosemount, **GmbH & Co.** that Rosemount, **GmbH & Co.** has violated the Act or the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the Appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against Rosemount, **GmbH & Co.** in any administrative or judicial proceeding.
8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the Appropriate Order, when entered. This Settlement Agreement shall not bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed. This paragraph shall not limit Rosemount, **GmbH & Co.'s** right to challenge any action brought by any other agency based on a referral by the Department of any employee thereof in contravention of Paragraph 5 of this Settlement Agreement.
9. This Settlement Agreement will become binding on the ~~Department~~ only when approved by the Assistant Secretary for Export Enforcement by entering the Appropriate Order.

A63811

Rosemount, GmbH & Co.

J. H. von

Date: 10.26.1999

U.S. DEPARTMENT OF COMMERCE

Dexter M. Price

Date: 11/19/1999

Dexter M. Price  
Director  
Office of Antiboycott Compliance



A63812

**PROPOSED CHARGING LETTER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

May 27, 1999

Rosemount, GmbH & Co.  
Schultrase 29  
D-8031 Wessling  
GERMANY

Case No. 88-47C

Gentlemen\Ladies:

We have reason to believe and charge that you, Rosemount, GmbH & co., have committed two (2) violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)) (the "Regulations"), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 and Supp. 1998)) (the "Act").<sup>2</sup> We charge that with intent to comply with, further or support an unsanctioned foreign boycott, you furnished information concerning your business relationships with or in a boycotted country, in violation of Section 769.2(d) of the former Regulations.

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<sup>1</sup> The alleged violations occurred in 1990. The Regulations governing the violations at issue are found in the 1990 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1990)). Those Regulations define the violations we allege occurred and are referred to hereinafter as **the former Regulations**. Since that time, the Regulations have been reorganized and restructured. The restructured Regulations established the procedures that apply to the matters in this letter.

<sup>2</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)) and August 13, 1997 (3 C.F.R. 1997 Comp. 306 (1998)), August 13, 1998 (63 **Fed. Reg.** 44121, August 17, 1998), and August 10, 1999, (64 **Fed. Reg.** 44101, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).



We allege that:

1. Rosemount, Inc. is a domestic concern incorporated in the State of Minnesota and, as such, is a United States person as defined in Section 760.1(b) of the current Regulations.
2. You, Rosemount, GmbH & Co., a company resident in Germany, are a wholly-owned subsidiary of Rosemount, Inc. Accordingly, you are a controlled-in-fact foreign subsidiary of a domestic concern, as defined in Section 760.1(c) of the current Regulations and, as such, you are a United States person as defined in Section 760.1(b) of the current Regulations.
3. During 1990, you engaged in activities involving the sale or shipment of goods or services from the United States to Saudi Arabia. Those activities were in the interstate or foreign commerce of the United States, as defined in Section 769.1(d) of the former Regulations.
4. The transactions described in paragraph 3 above involved two separate shipments of goods to Binzagr Trading Co. Of Riyadh, Saudi Arabia, on or about March 15, 1990. In connection with each shipment, you executed and delivered export shipping documents to Binzagr Trading Co. Which contained the following language:

"... We hereby declare that the mentioned merchandise is being exported on our own account. The goods are neither of Israeli origin nor do they contain Israel materials nor are they being exported from Israel..."

5. By providing the above language on the export documentation, you furnished, in two separate instances, information concerning your business relationships with or in a boycotted country, activities prohibited by the former Regulations and not excepted. By furnishing such information in each of these two transactions, you have committed and are charged with two violations of Section 769.2(d) of the former Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of

obtaining an order imposing administrative sanctions.<sup>3</sup>

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel and, under Section 766.18 of the Regulations, to seek a settlement agreement.

As provided in Section 766.3 of the Regulations, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between the Bureau of Export Administration and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center  
40 South Gay Street  
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Export Administration at the following address:

Office of the Chief Counsel for Export Administration  
U.S. Department of Commerce  
Room H-3839  
14th Street & Constitution Avenue, NW  
Washington, D.C. 20230

---

<sup>3</sup> Administrative sanctions may include any or all of the following:

- a. A civil penalty of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see Section 764.3(a)(3) of the Regulations).



A63815

The Office of the Chief Counsel can contacted by telephone at  
(202) 482-5311.

Sincerely,

Dexter M. Price  
Director  
Office of Antiboycott Compliance